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C.I.A. Denies Handling Funds Diverted to Contras

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WASHINGTON, Dec. 3 — The Central Intelligence Agency, in an unusual public statement, denied today that its bank accounts had been used for diversion of money from the proceeds of the Iranian arms sales to the Nicaraguan rebels "or any other covert action programs."

The agency, the focus of Congressional inquiries into its knowledge and role in the diversion of up to \$30 million to the rebels, said that "the only funds related to the Iran program that passed through agency hands were the \$12 million owed to the Pentagon for the arms."

"The funds received from the Iranians were segregated when received and were passed on to the Pentagon promptly," according to a statement released by George Lauder, the C.I.A.'s chief spokesman. "The agency received no profits from any activities with the Iranians nor were any funds which passed through agency hands from the Iranians diverted to the contras or any other covert action programs."

It is unusual for the agency to formally comment on charges against it, particularly while a Congressional investigation is under way.

The Washington Post reported today that Congressional investigators had traced the proceeds of the Iranian arms sales to a Swiss bank account set up by the agency for covert action programs. The account was also said to have been used by the agency to deposit \$250 million for the covert program to aid the Afghan rebels and a matching \$250 million contribution to the Afghans from Saudi Arabia.

Several officials familiar with the Congressional investigations also disputed The Post's account. But one of these officials said there had been indications that money from one of the initial arms transactions may have been temporarily deposited in a Swiss account used by the agency for covert programs.

Diversion of Funds

The issue of which bank accounts were used for the proceeds for the arms sales is significant because it could prove, or disprove, suggestions

that the C.I.A. knew about or took part in the diversion of money to the contras. Attorney General Edwin Meese 3rd said last week that Iran paid between \$22 million and \$42 million for the weapons. The Pentagon was reimbursed \$12 million with the rest diverted to the contras, according to Mr. Meese.

The C.I.A. statement contends that the agency handled only the \$12 million and that its accounts were not used in any way for the profits supposedly sent to the contras. Since the agency maintains strict accounting procedures, it would almost certainly have been aware if an account were used as a conduit of millions.

According to the best description available thus far from several officials, Iran bought the arms through intermediaries. The money was then moved to a company or bank account controlled by the private businessmen involved in the arms sales. Frequently mentioned as possible recipients for the money from Iran by several officials examining the transactions are Maj. Gen. Richard V. Secord, a retired Air Force officer, and his business partner, Albert Hakim. Repeated attempts to reach both for comment have been unavailing.

\$12 Million Paid to Pentagon

From this account or company, \$12 million was then disbursed to a Swiss bank account set up by the C.I.A. to receive payments on behalf of the Pentagon. This money was in turn moved to the Defense Department.

The funneling of money to the contras was then accomplished through a series of transactions that are believed to have involved companies controlled by Mr. Secord and Mr. Hakim and some offshore bank accounts in the Caribbean.

Congressional investigators are said to be still trying to account for all the channels used to move the money from Iran to the contras.

Administration officials have said that they cannot document the contras' receipt of anywhere near \$10 million and they speculate that some of the money may also have gone to the Angolan rebels and to Afghanistan.